Memorandum of Understanding

Between Interstate Oil and Gas Compact Commission and U.S. Environmental Protection Agency

This is a Memorandum of Understanding (MOU) between the Interstate Oil and Gas Compact Commission (IOGCC) and the United States Environmental Protection Agency (EPA) regarding environmental regulatory oversight of oil and natural gas exploration and production activities.

Whereas, the IOGCC is a congressionally chartered organization of governors of the oil and natural gas producing states, with the responsibility to protect and develop the states' oil and gas resources, avoid waste of those resources and protect the environment, and

Whereas, the governors through the IOGCC seek to develop and conserve oil and gas resources in an efficient and effective manner, and

Whereas, the EPA is charged with protecting the nation's public health and environment, and

Whereas, this MOU between the IOGCC and EPA is intended to continue to facilitate more open and timely communication resulting in better integrated, transparent, and more collaborative protection of the environment.

Now, THEREFORE, the IOGCC and the EPA enter into this MOU, which renews the shared interests of the IOGCC and EPA and replaces the MOUs signed between IOGCC and EPA in December 2002, March 2005, May 2007, and August 2011:

The purpose of this MOU is to improve regulatory cooperation among the states and EPA, in a manner that promotes protection of the environment in a cost-effective manner consistent with applicable requirements, minimizes duplication, increases efficiencies, enables the exchange of information and expertise, and increases communication.

Background: In some instances, the states and EPA have concurrent jurisdiction relating to a host of oil and gas regulatory efforts. In other instances, the states and EPA have independent authorities that may be complementary when effectively coordinated. IOGCC and EPA signed a MOU to facilitate this relationship in December 2002, which was renewed in March 2005, May 2007, and August 2011.

The objectives of the MOU are to renew a joint Task Force to:

- 1. Continue long-term improvement in communication between the states and EPA.
- 2. Continue a high-level IOGCC/EPA relationship that is intended to foster environmental protection based on mutual understanding of each other's missions, responsibilities, and authorities.
- 3. Address through ad hoc, issue-oriented working subgroups, issues that may result from concurrent jurisdiction between the states and EPA.

- 4. Identify issues of concern between the states and EPA that then can be addressed in the short and long term.
- 5. Maintain a permanent means of consultation.
- 6. Identify and implement mutually beneficial joint activities.

Responsibilities of IOGCC and EPA:

- 1. IOGCC and EPA resolve to assemble a renewed Task Force to accomplish the objectives described herein and provide periodic reports of their findings and recommendations to the Administrator of the EPA, to the IOGCC Chairman and to the public.
- 2. The Task Force is to include senior representatives from state oil and gas commissions, the IOGCC, and EPA headquarters and regional offices; such representatives must be employees of a state, the IOGCC, or EPA.
- 3. IOGCC and EPA intend to identify areas of concern and recommend appropriate actions and solutions.
- 4. IOGCC and EPA intend to consult and coordinate with other state and federal agencies, Indian tribes, and other organizations as issues and solutions are developed.

Authorities and Limitations:

- 1. EPA enters into this MOU pursuant to section 104 of the Clean Water Act, section 103 of the Clean Air Act, section 8001 of the Solid Waste Disposal Act, and section 102(2)(G) of the National Environmental Policy Act.
- 2. Nothing in this MOU alters the responsibilities or statutory authorities of EPA or the individual states. This MOU does not supersede existing agreements or restrict any future agreements between EPA and the individual states or other state associations.
- 3. This MOU does not, in and of itself, obligate either party to expend funds. All commitments made by EPA are subject to the availability of appropriated funds. Any endeavor involving reimbursement, contribution, or financial assistance between the parties to this MOU will be handled according to applicable laws, regulations, and procedures, including policies relating to competition for contracts and assistance agreements, and subject to separate agreements. Neither party will submit a claim for compensation to the other party for activities carried out under this MOU.
- 4. Nothing in this MOU precludes individual MOUs between the IOGCC, state oil and gas regulatory agencies, and EPA regional offices.
- 5. This MOU is not legally binding on any party and does not create any rights or benefits, substantive or procedural, enforceable at law or in equity by any person against any party to the MOU.
- 6. Under Federal ethics rules, EPA may not endorse products or services provided by private entities. Nothing in this MOU constitutes an endorsement by either party of the products, services, and/or fundraising activities of the other. The IOGCC agrees not to make statements to the public at workshops and meetings, promotional literature, on its web site or through other media that imply that EPA endorses IOGCC or any service or product offered by it. In addition, IOGCC agrees not to make statements that imply that EPA supports IOGCC's efforts to raise public or private funds. Any statements or promotional materials prepared by IOGCC that describe this MOU must be approved in advance by EPA.

This MOU is to take effect upon the signatures of the parties listed below and remains in effect for three years or until modified by mutual written consent. At the end of three (3) years, IOGCC and EPA agree to discuss an extension of the MOU for mutual benefit. Either party may terminate its participation in this MOU by providing written notice to the other party at least ninety (90) days prior to the desired termination date.

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Interstate Oil and Gas Compact Commission Governor Robert Bentley, State of Alabama Chair of IOGCC

Date: Ougust 21, 2013